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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
WILLIAM A. MUNDELL
Commissioner
MARC SPITZER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

Arizona Corporation Commission

DOCKETED

JUL 28 2006

DOCKETED BY

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IN THE MATTER OF THE APPLICATION
OF DONEY PARK WATER TARIFF
FILING TO REVISE ITS DEVELOPMENT
FEE TARIFF

DOCKET NO. W-01416A-06-0323

DECISION NO. 68862ORDER

Open Meeting
July 25-26, 2006
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On May 9, 2006, Doney Park Water ("DPW") filed for Commission approval of a tariff revising its Development Fee Tariff.

2. The Company currently has an approved Development Fee Tariff. This tariff contains general provisions concerning the Company's ability to collect a Development Fee from each "new" customer seeking water service to a structure, lot or parcel never previously receiving water. The proposed revised Development Fee provides a more clearly defined tariff setting forth particular conditions that will allow this approved fee to be assessed.

3. The Development Fee is designed so an equitable share of the cost of the backbone system is paid by each lot based upon the general nature of the uses on the lot. The Company has found that in some instances plans to build a second habitable structure (e.g., a guest home or apartments/condominiums) are not disclosed or the structure is built in subsequent years and additional Development Fees have gone uncollected that would have been collected if the additional structures had been constructed initially.

4. This tariff revision adds language that clearly defines when the then current lot owner should pay the difference between the amount of the Development Fee in the altered configuration and the amount of Development Fee that has been previously paid to the Company. This ensures that all customers are treated the same and pay their proportionate share of the backbone system equal to the maximum potential demand placed on the system.

5. Staff recommends approval of Doney Park Water's revised Development Fee Tariff as follows: "a. The Development Fee may be assessed only once per lot or parcel; provided, however, if, after the Development Fee is paid, additional dwelling units are located on the lot or parcel or the use for structures not primarily intended for habitation is increased such that the current use on the lot or parcel would have resulted in a higher Development Fee than what has previously been paid for the lot or parcel, the Company shall re-compute the Development Fee and assess the current customer the portion of the Development Fee not previously paid."

6. Staff also recommends the following conditions be met:

A. That Doney Park Water docket an amended tariff with Docket Control as a compliance matter in this case within 30 days of a Commission decision.

B. That Doney Park Water provide notice of the amended tariff to its customers by means of an insert in its next regularly scheduled billing in a format acceptable to Staff. DPW shall file a copy of the notice with Docket Control as a compliance matter in this case within 30 days of providing notice to its customers.

CONCLUSIONS OF LAW

1. Doney Park Water is an Arizona public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over Doney Park Water and over the subject matter of this application.

3. The Commission, having reviewed the application and Staff's Memorandum dated July 11, 2006, concludes that it is in the public interest to approve Doney Park Water's request for a tariff revision.

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ORDER

IT IS THEREFORE ORDERED that Staff's recommendations, as set forth in Findings of Fact Nos. 5 and 6 are reasonable and are hereby adopted.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRMAN


COMMISSIONER

Commissioner Spitzer resigned
effective 7-21-2006

COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 28th day of July, 2006.


BRIAN C. McNEIL
Executive Director

DISSENT: _____

DISSENT: _____

EGJ:CEW:lhv\DR

1 SERVICE LIST FOR: Doney Park Water
2 DOCKET NO. W-01416A-06-0323

3 Mr. William P. Sullivan
4 Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
5 2712 North Seventh Street
6 Phoenix, Arizona 85006

7 Mr. Ernest G. Johnson
8 Director, Utilities Division
9 Arizona Corporation Commission
10 1200 West Washington
11 Phoenix, Arizona 85007

12 Mr. Christopher C. Kempley
13 Chief Counsel
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007
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